

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, OCTOBER 21, 2015 AT 4:00 PM

IN THE MARY BRENNAN BOARD ROOM

T. F. GREEN AIRPORT

2000 POST ROAD, WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (Corporation) Board of Directors was called to order by Chair, Jon Savage at 4:10 p.m., in the Mary Brennan Board Room at 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

BOARD MEMBERS PRESENT: Jon Savage; Deborah Thomas; Michael Traficante; Paul Carroll; Christopher Little and Heather Tow-Yick

BOARD MEMBER ABSENT: Russell Hahn.

ALSO PRESENT: Kelly J. Fredericks, P.E., A.A.E., President and CEO; and those members listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Mr. Carroll to approve the minutes of the

Board of Director's Meeting of September 17, 2015 and seconded by Mr. Little. The motion was passed unanimously.

2. Open Forum:

Mr. Savage asked if anyone present wanted to speak in Open Forum. No one came forward.

3. Report from President and CEO:

Mr. Fredericks presented the President and CEO Report and reported on the following:

- Mr. Fredericks extended his congratulations to Ms. Heather Tow-Yick on her recent new position with the National Teach for America and additionally extended his congratulations on her recent selection by the Ronald McDonald House for their Annual Women's Leadership Awards in the category of Education.**
- Mr. Fredericks reported passenger travel was up 1.08% on break even seating capacity. Year to date, passenger travel is down 0.95% on 2.55% less seating capacity. Load factor for the month was 85.35%, slightly lower than the prior summer months, is 3.23% higher than September 2014. JetBlue was down 1.47% with no change in seating capacity. Southwest was up 3.04% on 1% decreased capacity. Delta was down 10.12% on 14% less seating capacity.**

United was down 2.63% on 13% increased seating capacity. Cape Air was up 5.95% on 24% increased seating capacity. US Airways was up 3.56% on 11% increased seating capacity Mr. Fredericks reported that US Airways made its last flight as US Airways on October 17th and will now operate as American Airlines. It was also noted that American Airlines has rebranded their ticket counters and equipment in the gate area. TACV brought 2,182 new passengers to PVD and produced an overall 86.6% load factor for the month. Mr. Fredericks noted departing flights for TACV had a load factor of 74.9% and arriving load factor of 98.6%. Condor Airlines provided 432 new passengers to PVD and had an overall load factor of 83.4%. Year to date Condor produced an overall load factor of 80.8% which was represented load factors of approximately 77% departures and 84.6% arrivals. Mr. Fredericks noted Condor's seasonal service has ended for this calendar year with service extended for 2016.

- **Mr. Fredericks reported cancellations are now being tracked and 4,488 seats were lost in September. Load factors for the month, without those cancellations, would have shown a 2.4% increase for the month.**

- **Mr. Fredericks stated based on current trends, recent carrier corporate visits and follow up of additional data exchange with Southwest, American JetBlue and Delta we remain encouraged that we are moving in a positive direction. Mr. Fredericks noted the load**

factors demonstrate there is not a demand problem that more seat capacity increases are needed.

- **Mr. Fredericks reported the market share for each airline is as follows: Southwest Airlines 43.3%, US Airways/ American 25.32%, Delta Airlines 12.68%, JetBlue 6.55%, United 10.5%, Charter .6%, TACV .73%, Condor .14%, Cape Air .56%.**

- **Mr. Fredericks reported air cargo was up 0.21% for the month of September and down .6% year to date.**

- **Mr. Fredericks reported parking revenues for the month of September were up 1.5% and ticket sales were up 1.3%. Off airport parking revenues were down 1.5% and off airport ticket sales were down 15.5%. RIAC market share based on revenues is 84.6% and tickets sales are 87.3%**

- **Mr. Fredericks provided an update on the general aviation airports and noted that total passengers were up 34% at both Westerly and Block Island Airports and operations were up approximately 17%. Avgas sales down 12% and jet fuel was up 29% with total fuel sales up 13%.**

- **Mr. Fredericks provided the Board Members with information on the economic viability of the general aviation airports highlighting the significant financial burden of these airports that are being**

subsidized by T. F. Green Airport. There was discussion on ways to reduce or share the costs to operate these airports as well as the limited revenue opportunities. Mr. Fredericks discussed the increased rates and charges system-wide, including at Block Island Airport and the addition of a facility fee. Mr. Fredericks noted that concerns over these increases have been raised by the Town Manager, the Block Island Chamber and pilots and a meeting has been scheduled to discuss their concerns. There were additional discussion on challenges for Block Island which include no fuel sales and limited revenue opportunities. It was noted that Block Island recorded a loss of \$322,000 which will increase to \$580,000 with debt services for the new terminal.

- Mr. Fredericks provided an update on the 747 that is being refurbished at Quonset Airport to replicate Air Force One. It was noted that while an agreement has not been signed payments have been made through November. If an agreement is not reached by the end of the month, the aircraft will need to be removed from Quonset.

- Mr. Fredericks provided an update on the Quonset Air Museum and stated the RIAC hosted a meeting to discuss options for long term solutions. It was noted that an extension to vacate the building was issued and an engineering report has been requested on proposed options to rehabilitate the structure. Mr. Fredericks reported both he and Board Chair Jon Savage will be meeting with Senator Sheehan and Representative Craven to provide an update on future plans for

the museum.

- **Mr. Fredericks reported he continues to have regularly scheduled separate monthly meetings with Deputy Chief of Staff Kevin Gallagher and Mayor Scott Avedisian.**
- **Mr. Fredericks reported he also continues to reach out to Warwick Council Members and other elected officials on a regular basis to update them on airport issues.**
- **Mr. Fredericks reported he has been appointed as a Board Member to the Airports Council International – North America (ACI-NA). Mr. Fredericks stated it will be a great opportunity to participate in national and international issues affecting airports.**
- **Mr. Fredericks provided an update on the FAA re-authorization and noted that a six month extension has been granted. Mr. Fredericks stated updates to the Board will be provided as they become available. Mr. Fredericks reported RIAC continues to receive tremendous support and collaboration from Ms. Mary Walsh and her team at the FAA New England Airport Division.**
- **Mr. Fredericks provided an update on the PVD Pups and noted the program continues to be well received by passengers and additional therapy dogs have graduated the program. It was noted that several dogs will be in Halloween costumes for the month of October.**

- **Mr. Fredericks the ongoing LED lighting project has significantly brightened the appearance of the interior of the terminal and additional improvements are being planned. It was also noted that some furniture units have been replaced.**

- **Mr. Fredericks reported that RIAC seeks to continuously improve passenger experiences at T. F. Green Airport and enhance customer service. As part of a see something say something approach, staff, tenants and visitors are encouraged to report any improvements that can be made at the airport. Mr. Fredericks commended Mr. Alan Andrade and Mr. Bruce Wilde for responding to a complaint regarding the appearance of garbage receptacles and having them replaced immediately. Mr. Fredericks commended Inspector Ottaviano in assisting a passenger that had lost their passport by reviewing security footage, locating the last place the passport was seen and retrieving it for the passenger so they were able to make their flight that was departing in 20 minutes.**

4. Department Updates:

(a) Engineering

(i) Airport Expansion

Mr. McDonough provided the following updates:

- The Runway 16/34 obstruction removal is 50% complete.
- The Runway 5 Extension design is 70% complete.
- Runway 16 Safety Area is 100% complete.
- The Runway 34 Safety Area Project consists of improvements to the Runway Safety Area including installation of an EMAS bed for Runway 34, partial rehabilitation of the runway and taxiway pavements. Removal of peat is required prior to installation of the EMAS bed on Runway 34. Paving is scheduled to begin next week prior to EMAS blocks being installed. This project is on schedule to be completed by year end as mandated by the FAA and Congress.
- Relocation of Main Avenue is 20% complete and is scheduled to be opened in June 2016. It was noted that the existing Main Avenue will remain open during the relocation.
- Winslow Park has been completed and consists of six softball fields and 3 soccer fields that can be reconfigured into more than 12 separate playing fields for younger players, a tot lot and playground. The park has been very well received by the leagues and participants.
- The Glycol Treatment Project consists of a treatment facility and airfield collection system. Construction is complete and the system has been reloaded with treatment bugs. The facility is in the final commissioning stage.
- Runway 5 On-Airport Obstruction Removal is 90% complete. This project is on time and on budget.

(b) Planning

(i) Solar Energy Update

Mr. Porter provided the following updates:

- **A Request for Proposals (RFP) that included a site analysis was issued on September 21st. An overview was provided on the 142 acres that were considered in the site analysis and it was noted that 40 acres were designated as likely feasible, 20 acres were designated as potentially feasible, 31 acres were designated as likely infeasible and 51 acres were designated infeasible. A pre-proposal meeting was held on September 30th with 16 companies attending the meeting. Site visits were offered and accepted by five companies. Due to the substantial data and over thirty questions submitted, an extension was issued for the response deadline. RFP responses are due on October 28th and the Selection Committee will meet on November 3rd to review the proposals. This item is scheduled to be presented for consideration at the November Board of Director's Meeting.**

(d) Maintenance and Operations

(i) PVD Airfield and GA Facilities and Operations

- **A new alert notification system provider, Code Red, has been selected and the system has been installed and tested. Mr. Andrade commended Chief Leo Messier for locating this alternative provider and that the RI Emergency Management Agency is using throughout the State as part of a grant program.**

- **The 6th Annual MS Jet Pull was held on October 5th. Each team had 25 members and competed in who could pull a Boeing 757 twelve feet in the fastest time.**
- **The Foreign Object Debris (FOD) walk was held in September to clean up the airfield and help strengthen relationships with airport tenants and the community.**
- **The Collins Foundation held the Wings of Freedom Tour from September 28th through 30th at North Central Airport and displayed WWII aircraft. Several aircraft were available for flights for a fee.**
- **On October 7th 23 WWII veterans will be traveling from T. F. Green Airport to visit the WWII Memorial in Washington, DC as part of a Honor Flight.**
- **Canine Officer Harrop and his canine provided provide security support for the Pope's visit to New York City at the request of the Transportation Security Agency (TSA).**
- **Eight state representatives participated in a skydiving event at Newport Airport to raise money for the RI Community Food Bank. It was a great event organized by Mr. Marc Tripari of Skydive Newport.**

5. Action Items:

(a) Consideration of and Action Upon Approval to Enter Into a Purchase Order for the Utility Work Associated with the Relocation of Main Avenue.

Mr. Fredericks gave an overview of this item and the recommendation is that the Board authorizes the President and CEO, or his designee to enter into a Purchase Order with National Grid in the amount of \$1,745,226, which is included in the Fiscal Year 2016 CIP budget, for the permanent work associated with the electrical utilities on Main Avenue.

A motion was made by Mr. Traficante and seconded by Ms. Tow-Yick to approve the following resolution:

WHEREAS, the relocation of Main Avenue is required for the expansion of Runway 5-23; and

WHEREAS, the Rhode Island Airport Corporation (RIAC) staff estimates that the total utility costs associated with the relocation of Main Avenue is \$3,312,096; and

WHEREAS, National Grid requires a Purchase Order in the amount of \$1,745,226 for the installation of a new under-ground utility corridor along relocated Main Avenue and the removal of the existing overhead utilities along existing Main Avenue; and

WHEREAS, this Purchase Order will be funded from a Federal Aviation Administration grant issued in July 2015, Passenger Facility Charges or bonds.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee to enter into a Purchase Order with National Grid in the amount of \$1,745,226, which is included in the Fiscal Year 2016 CIP budget, for the permanent work associated with the electrical utilities on Main Avenue.

The motion was passed unanimously.

(b) Consideration of and Action Upon Approval to Enter Into a Contract for the Fire Protection and Water Service Upgrades to Hangar 2 at T. F. Green Airport.

Mr. Fredericks gave an overview of this item noting the exterior upgrades have been completed for this hangar and this item is for interior upgrades. The recommendation is that the Board authorizes the President and CEO, or his designee, to execute a Contract with Tower Construction Corporation, in the amount of \$458,000, which is included in the Fiscal Year 2016 CIP budget, for fire protection and water service upgrades to Hangar 2 at T. F. Green Airport.

A motion was made by Mr. Traficante and seconded by Ms. Tow-Yick to approve the following resolution:

WHEREAS, a competitive bidding process was undertaken according to the Rhode Island Airport Corporation's (RIAC) procurement rules for fire protection and water service upgrades to Hangar 2 at T. F. Green Airport; and

WHEREAS, on August 3, 2015, RIAC issued an Invitation for Bids (IFB) for this project; and

WHEREAS, on August 26, 2015 RIAC received two sealed bids; and

WHEREAS, Jacobs Engineering, RIAC's design Consultant for this Project, has determined that the bid submitted by Tower Construction Corporation (Tower) in the amount of \$458,000 is the lowest responsive and responsible bid; and

WHEREAS, RIAC staff agrees with Jacobs determination and recommends award of this Contract to Tower; and

WHEREAS, the approved RIAC Fiscal Year 2016 Capital Improvement Program (CIP) budget includes \$950,000 for Hangar 2 Improvements including exterior painting (completed in July 2015) and these infrastructure upgrades; and

WHEREAS, RIAC will fund this project with general purpose funds with potential reimbursement from bond proceeds.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, , to execute a Contract with Tower Construction Corporation, in the amount of \$458,000, which is included in the Fiscal Year 2016 CIP budget, for fire protection and water service upgrades to Hangar 2 at T. F. Green Airport.

The motion was passed unanimously.

(c) Consideration of and Action Upon Approval to Execute a Purchase Order for the Purchase of a Glycol Recovery Vehicle for T. F. Green Airport.

Mr. Fredericks provided an overview of this item and noted approval has been given to utilize Clean Water surplus funds to purchase this vehicle. The recommendation is that the Board authorizes the President and CEO, or his designee, to execute a Purchase Order with Fortband Services Inc. in the amount of \$398,500, which is included in the Fiscal year 2016 Operating Capital Budget, for the purchase of a glycol recovery vehicle.

A motion was made by Mr. Traficante and seconded by Mr. Little to

approve the following resolution:

WHEREAS, a competitive bidding process was undertaken according to the Rhode Island Airport Corporation's (RIAC) procurement rules to procure a glycol recovery vehicle for T. F. Green Airport; and

WHEREAS, on September 11, 2015, RIAC issued an Invitation for Bids (IFB) for this vehicle; and

WHEREAS, on September 25, 2015, RIAC received two sealed bids; and

WHEREAS, RIAC staff has determined that the bid submitted by Fortband Services Inc. in the amount of \$398,500 is the lowest responsive and responsible bid; and

WHEREAS, the cost for this vehicle is approved in the Fiscal Year 2016 Operating Capital budget in the amount of \$450,000; and

WHEREAS, this was determined to be eligible by the Clean Water Finance Agency and will be funded by the same bond proceeds used to build the Glycol Facility.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to

execute a Purchase Order with Fortband Services Inc. in the amount of \$398,500, which is included in the Fiscal year 2016 Operating Capital Budget, for the purchase of a glycol recovery vehicle.

The motion was passed unanimously.

(d) Consideration of and Action Upon Approval of a Construction Contract Change Order and Consultant Task Order for Adaptive Signal Control System on Airport Road.

Mr. Fredericks gave an overview of the item and noted this is a pilot program developed for the Federal Highway Administration (FHWA) and the Rhode Island Department of Transportation (RIDOT) and is fully funded by those agencies. There will be no cost to RIAC. This system will coordinate all traffic signals on Airport Road. The recommendation is that the Board authorizes the President and CEO, or his designee, to 1) execute a Construction Change Order with J.H. Lynch & Sons, Inc. in an amount not to exceed \$898,409 for the Adaptive Signal Control System; and 2) execute a Consultant Task Order with The Louis Berger Group in an amount not to exceed \$196,086 to provide Engineering Services for the Adaptive Signal Control System, subject to 100% funding by RIDOT and FHWA.

A motion was made by Mr. Little and seconded by Mr. Traficante to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) and The Rhode Island Department of Transportation (RIDOT) entered into an Agreement to install Adaptive Signal Control System (ASC) on Airport Road; and

WHEREAS, the ASC is a pilot program developed by the Federal Highway Administration (FHWA) and RIDOT and fully funded by those agencies with no cost to RIAC; and

WHEREAS, RIAC, in conjunction with RIDOT, negotiated the Change Order with J. H. Lynch & Sons, Inc. to construct the improvements for the ASC in an amount not to exceed \$898,409; and

WHEREAS, RIAC, in conjunction with RIDOT, negotiated the Scope and Fee with the Louis Berger Group in an amount not to exceed \$196,086; and

WHEREAS, the Construction Change Order and Consultant Task Order will be funded by RIDOT and FHWA; and

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to 1) execute a Construction Change Order with J.H. Lynch & Sons, Inc. in an amount not to exceed \$898,409 for the Adaptive Signal Control System; and 2) execute a Consultant Task Order with The Louis

Berger Group in an amount not to exceed \$196,086 to provide Engineering Services for the Adaptive Signal Control System, subject to 100% funding by RIDOT and FHWA.

The motion was passed unanimously.

6. Executive Session:

At approximately 5:06 p.m. a motion was made by Ms. Thomas and seconded by Ms. Tow-Yick to go into Executive Session for the purpose of discussing the following items:

(a) Motion to Approve the Minutes of the Executive Session held on September 17, 2015 § 42-46-5(a)(1),(2),(5),(6) and (7); and

(b) Investment of Public Funds Where Premature Disclosure Would be Detrimental to the Public Interest (Air Service Development and Janitorial Contract) – R.I.G.L. § 42-46-5(a)(7); and

(c) Discussions Related to One Nonpublic Potential Litigation Matter (Construction Dispute) and One Public Litigation Matter (Airport Valet) – R.I.G.L § 42-46-5(a)(2); and

(d) Considerations Related to the Acquisition of Real Property for Public Purpose at T. F. Green Airport – R.I.G.L § 42-46-5(a)(5).

(e) Motion to Return to Open Session.

By the following roll call vote the motion was passed unanimously.

YEAS: Jon Savage

Deborah Thomas

Michael Traficante

Paul Carroll

Christopher Little

Heather Tow-Yick

NAYS: None

ABSTAIN: None

At approximately 6:11 p.m., a motion was made by Mr. Traficante and seconded by Mr. Little to return to Open Session.

The motion passed unanimously.

7. Post Executive Session Actions and Announcements:

(a) Motion to Seal the Minutes of the Executive Session Held October 21, 2015.

A motion was made by Ms. Thomas and seconded by Ms. Tow-Yick to seal the minutes of the Executive Session in accordance with R.I.G.L.

§ 42-46-4 by the following roll call vote.

The motion was passed as follows:

YEAS: Jon Savage

Deborah Thomas

Michael Traficante

Christopher Little

Heather Tow-Yick

NAYS: None

ABSTAIN: Paul Carroll (left the room at 6:10 p.m. and returned at 6:12 p.m.)

(b) Report on Actions Taken in Executive Session.

During the Executive Session, a motion was made by Ms. Tow-Yick and seconded by Mr. Traficante to approve the sealed minutes of the Executive Session held on September 17, 2015.

The motion was passed unanimously.

(c) Consideration of and Action Upon Approval to Enter Into a Professional Services Agreement to Provide Janitorial Services at T. F. Green Airport.

The recommendation is that that the Board authorizes the President and CEO, or his designee, to enter into a three year Professional Services Agreement (PSA) with ISS Facility Services, Inc. to provide Janitorial Services for T. F. Green Airport with two additional one year terms at the discretion of the Rhode Island Airport Corporation.

A motion was made by Mr. Traficante and seconded by Mr. Little to approve the following resolution:

WHEREAS, on June 26, 2015, the Rhode Island Airport Corporation (RIAC) issued a Request for Proposals (RFP) to provide Janitorial Services at T. F. Green Airport; and

WHEREAS, on July 16, 2015, RIAC held a mandatory pre-proposal conference and site visit at T. F. Green Airport; and

WHEREAS, on August 6, 2015, RIAC received nine proposals in response to this RFP in which one proposer subsequently requested, and RIAC accepted, they withdraw their proposal; and

WHEREAS, the Selection Committee comprised of Bruce Wilde, VP Operations and Maintenance; Joe DaSilva, AVP Landside Maintenance; David Cloutier, AVP Business Development and Commercial Programs and Jeffrey Goulart, AVP Financial Administration selected five firms for in-person interviews; and

WHEREAS, following the interview process, the Selection Committee evaluated the proposals and selected ISS to perform these services; and

WHEREAS, the approved RIAC Fiscal Year 2016 Operating & Maintenance Budget includes \$1,925,875 for these Janitorial Services which is \$12,074 more than the first year proposed by ISS.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to enter into a three year Professional Services Agreement (PSA) with ISS Facility Services, Inc. to provide Janitorial Services for T. F. Green Airport with two additional one year terms at the discretion of the Rhode Island Airport Corporation.

The motion was passed by five affirmative votes, with one Board Member abstaining from voting. The vote was as follows:

YEAS: Jonathan Savage

Deborah Thomas

Michael Traficante

Christopher Little

Heather Tow-Yick

NAYS: None

ABSTAIN: Paul Carroll

8. Future Meetings:

The next Board Meeting will be held on Wednesday, November 18, 2015 at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island.

9. Adjournment:

Mr. Traficante moved to adjourn at approximately 6:13 p.m. Mr. Little seconded the motion.

The motion was passed unanimously.

Respectfully submitted,

Jon Savage, Chair

Rhode Island Airport Corporation

PUBLIC ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, OCTOBER 21, 2015

NAME AFFILIATION

Brian Schattle RIAC

Peter Frazier RIAC

Patricia Goldstein RIAC

Alan Andrade RIAC

Liberty Luciano RIAC

Sherri Ann Penta RIAC

Paul McDonough RIAC

Bruce Wilde RIAC

Leo Messier RIAC

Doug Dansereau RIAC

Dan Porter RIAC

Timothy Pimental RIAC

Nicole Williams RIAC

Jeffrey Goulart RIAC

Robert Goff New England Parking

Jen Milette Allied Court Reporters

Woody Creswell The Paradies Shops

The minutes of the Executive Session of the Board Meeting of October 21, 2015 have been sealed in accordance with R.I.G.L. § 42-46-4.